



California Department of Veterans Affairs

NEWS FOR VETERANS

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NEWS FROM THE CALIFORNIA DEPARTMENT OF VETERANS AFFAIRS

Secretary of Veterans Affairs Tom Johnson sent out the following letter and milestones on August 18, 2005 in response to the concerns of some statewide veterans organizations (The American Legion, Veterans of Foreign Wars, Disabled American Veterans, Vietnam Veterans of California, Military Order of the Purple Heart, Jewish War Veterans, Fleet Reserve Association, and AMVETS) about the progress being made on the establishment of new California Veterans Homes.

FUTURE VETERANS HOMES

Dear Commander:

In March of 2004, each of your organizations signed a joint letter to Governor Schwarzenegger expressing strong concern regarding the progress of the planning for the new Veterans Homes. Since that time, we have provided periodic updates on our progress at Cal Vet Board meetings, Secretary's Conferences and at special briefings. This letter is an augmentation to these meetings in an effort to keep you updated on the progress of these homes.

During the May 2004 Cal Vet Board meeting, we advised that on July 15, 2006 we would submit our application to the United States Department of Veterans Affairs (USDVA) State Home Grant Program for conditional approval of our grant for the Greater Los Angeles Ventura County (GLAVC) veterans home project. In this scenario, we would complete all grant submission requirements to seek funding in the spring of 2007. That date was selected because of the timeframes involved in completing the environmental impact reports (federal & state), completing the transfer of land title (which also involves sharing agreements with the Greater Los Angeles VA Health System), completing a specified percentage of the drawings, and receiving Public Works Board approval to move the project into working drawings. The date selected for submission of our conditional grant application has not changed since that date fifteen (15) months ago.

The California Department of Veterans Affairs has fulfilled all Federal Grant requirements at appropriate times to meet the above timeline. It must be stressed that no USDVA State Home Grant Program monies are available to any grant applicant until the *start of construction* (see 38CFR59.100), and then paid out monthly as a percentage of construction completion. Until that time, the USDVA Grant Program only offers participation if all grant requirements are fulfilled, culminating in tabulated construction bids.

Project development timelines and State budget cycles rarely conform to Grant timeline requirements. Therefore, Federal code (see 38USC8135.C) provides tools for grant management that helps both states and the Grant Administrator through often-conflicting processes. Grant deferral simply informs the Grant Administrator that all the grant requirements, including tabulated construction bids, will not be completed in the upcoming Federal fiscal year, and does not effect the project's subsequent priority ranking (see 38USC8135.C). Not completing Grant requirements can have serious consequences, and deferral shields projects on the Grant Program priority list during project development.

The following progress and points of concern, therefore, can be noted:

1. We are on target with the timetable set up fifteen (15) months ago for receipt of federal dollars. The timetable for occupancy has slipped several months pursuant to the estimates of the construction manager. (See milestones below)
2. The land at the Greater Los Angeles Veterans Healthcare System (GLAHS) has been de-coupled from the USDVA Capital Asset Realignment for Enhanced Services program and the legal description is now being prepared.
3. Sharing agreements with GLAHS are under development and are integral to the partnership.
4. The joint use kitchen project has also been de-coupled due to concerns about the possible adverse effect on our timelines for completing the enhanced use lease and the Environmental Impact Report.
5. We are facing additional budget concerns because of the escalating adverse bidding climate in the LA area. Department of General Services has retained a well-regarded construction management firm to help mitigate this problem.
6. The federal budget remains a big unknown. If the budget places a moratorium on the State Home Grant Program or otherwise restricts funding, it could become a problem for all state home projects beginning this year.

I hope this information is of value to you. This project remains the #1 priority for the Governor and we are making every effort to keep the project on target. The major challenge is the federal budget and the focus should be on informing all our Congressional members of the importance of supporting the Senate version of the veteran's budget, i.e., full funding of \$104 million for the State Home Grant Program. We will again provide a full briefing on our Veterans Homes progress at the Secretary's Conference on October 7, 2005.

Cordially,

/s/

THOMAS JOHNSON, FACHE
Secretary

MILESTONES:

GLAVC Development Milestones

- **February 10, 2006**
Public Works Board Approval for working drawings
- **July 15, 2006**
Submit conditional USDVA Grant

- **December 1, 2006**
Begin construction bid period
- **February 1, 2007**
Submit tabulated bids to USDVA
- **July 1, 2007**
Begin construction
- **December, 2008**
Lancaster and Ventura complete
- **December, 2009**
West Los Angeles complete

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